CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

FEBRUARY 20, 2007

INVOCATION:
Pastor Keith Williams of the Life Way Fellowship Church gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Trujillo led the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Police Chief Macagni, Director of Community Development Lindsey, Director of Administrative Services Snodgrass, Fire Chief Ortiz, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Director of Recreation and Parks Posada, and Chief Deputy City Clerk Perez.

ANNOUNCEMENTS
Mayor Lavagnino recognized Lupe Alvarez, Mayor of the City of Guadalupe, who was in attendance.

Mayor Lavagnino expressed condolences for the passing of former City Councilmember Wayne Hasselbarth who passed away on February 17th at the age of 87 years. Mr. Hasselbarth served on the City Council from 1974 to 1978 and was very active in the community.

VOLUNTEER OF THE MONTH
Councilmember Orach recognized Tony Martinez, Recreation and Parks Department Volunteer of the Month for February 2007, for his outstanding leadership and commitment to the participants of the Spring Youth Tee-Ball League. As Mr. Martinez was not able to attend the meeting, Director of Recreation and Parks Posada accepted the gift on his behalf.

PUBLIC COMMENT
Bob Ziener spoke about his vision of creating a full-sized replica of the Columbus flag-ship Santa Maria since it is the City's logo. He also suggested that, if constructed, it be in honor of former Councilmember Jim May.

Ernest Armenta spoke about televising Planning Commission meetings on PEG access television, about the Santa Maria Levee and urged viewers to listen to the presentation by the Santa Barbara County Flood Control District.

George Dailey spoke about the requests from the last City Council meeting to provide the City Council agenda earlier.

CONSENT CALENDAR
Mayor Lavagnino pulled Item 3F at the request of Mary McKinley.

Item 3F – Contract Amendments with MV Public Transportation, Inc. and Santa Maria Diesel, Inc. related to SMAT

Mary McKinley stated she was Transportation and General Manager for MV Transportation. She thanked staff for recommending approval of the one-year extension and asked the Council to support that recommendation.

Consent Calendar Items A through F were approved on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar are adopted by the same vote cast at the first reading unless City Council indicates otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of February 6, 2007, were approved as submitted.

C. CITY-WIDE RECORDS RETENTION SCHEDULE
Resolution No. 2007-19 was adopted approving revisions to the City-wide Records Retention Schedule.

Resolution No. 2007-19 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING REVISIONS TO THE CITY-WIDE RECORDS RETENTION SCHEDULE.

D. WARRANTS
Warrant Nos. 132589 to 132864 in the amount of $2,116,487.15 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 126867, 132514 and 132537 were canceled.

E. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

F. CONTRACT AMENDMENTS
Resolution No. 2007-20 was adopted approving contract amendments to grant one-year extensions to the contracts with MV Transportation, Inc., for fixed route transit and paratransit services for SMAT, and Santa Maria Diesel, Inc., for fixed route transit and paratransit maintenance services for SMAT.

Resolution No. 2007-20 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING CONTRACT AMENDMENTS WITH MV TRANSPORTATION, INC. AND SANTA MARIA DIESEL, INC.

PRESENTATION REGARDING THE STATUS OF THE SANTA MARIA RIVER LEVEE.
Director of Utilities Sweet introduced Tom Fayram, Manager of the Santa Barbara County Flood Control and Water Conservation District. Mr. Fayram indicated that his presentation would include the history of the Santa Maria Levee, the problems with the levee, what was being done, emerging issues, and what would be needed to fix the levee. The Santa Maria Levee was designed and built by the US Army Corp of Engineers between 1959 and 1963 as part of the Santa Maria Project. It is 26 miles of compacted sand with a rock slop protective facing or riprap and was designed to contain a flow of 150,000 cubic feet per second or the equivalent of a 250-year storm. The project was transferred to the County Flood Control District who now owns and operates

it. The problem with the Santa Maria Levee is not overtopping the levee, it is that the levee has gotten eroded or scoured. It is the physical dislodgement of the riprap that lines the sand. Two critical areas were identified by the Corps of Engineers in a report from 1980 which led to the construction of the large rock groins at Suey Road and east of the Landfill. He explained the areas of risk from a breach at either of these locations. The Flood Control District started remedial efforts in 2003 to try to address problem areas including installation of pipe and wire groins, planting willows along the Levee as a buffer, heavy rock reinforcement using granite, construction of pilot channels in two locations - one of which is directly adjacent to Santa Maria to get the river flowing back to the middle of the river and away from the levee. They also petitioned the State of California to assist with remedial efforts and received $50,000 toward a $100,000 project. The District with the City has been trying to get the Corps of Engineers to obtain the necessary funding to conduct their analysis of the levee. It is hoped that the pilot channel will encourage the river to flow away from the levee; however, if part of the water still goes toward the levee, rock has been added along with the pipe and wire retarded fence. The District has hired a consultant who has done a lot of levee work for the Department of Water Resources, and they are going to look at what the treatments are to bring the levee to a state where the Corps can certify the levee. The treatments will be categorized as to their effectiveness and their cost. The Federal Emergency Management Agency (FEMA) is looking at the levee; and if it was not certified to withstand a 100 year storm, what the flood mapping would be in the City of Santa Maria and the rest of the Santa Maria Valley. The preliminary results of that should be available in April. The County and the City are pursuing two paths: the first is to continue to find and treat the problem areas within the limits of available funding; and secondly, to pursue funding at the federal and state level for the permanent structural fixes. He emphasized that the problems with the levee were not maintenance problems. The levee is structurally inadequate. The physical design does not meet the objective any longer. The Army Corps of Engineers has acknowledged that. FEMA is looking at the issue of levees all across the country as a result of Hurricane Katrina.

Councilmember Zacarías asked several questions on behalf of a constituent. She asked if the County had been given a list of specific minimum actions required to certify the levee; and if so, did they know what those actions would cost?

Mr. Fayram replied the District did not have that list. In fact, the District is working on that list for the Army Corps of Engineers. One of the key elements of the engineering analysis is what are the options and which ones will work. Somewhere among all the options, there is one that the Corps of Engineers will approve and will certify the levee after the work is completed.

Councilmember Zacarías asked about the chain link fences and if a more significant barrier could be made by weaving wood or metal slats into the chain link fences.

Mr. Fayram explained that the District did not want to do that. One of the benefits of the pipe and wire fencing was to allow the water to go through while offering resistance to slow the exchange of water. If the fences were made into barriers, the flow of water would uproot the fences.

Councilmember Zacarias said the constituent indicated that the County patrols the levee hourly during periods of heavy river flow and asked if they would be able to identify points of weakness and respond in time.

Mr. Fayram replied when the river starts to flow over 1,000 to 2,000 cubic feet per second, they start patrolling. When the flow increases to around 10,000 cubic feet per second, it is patrolled 24 hours a day for as long as necessary. The area in front of the City of Santa Maria is a high priority area.

Councilmember Zacarías asked whether filled sandbags would be available for the public and whether the County owned any of the massive sandbags used with helicopters.

Mr. Fayram stated that question was probably due to what the Army Corps of Engineers did in New Orleans after Katrina. He said that would not be the way to respond to a levee breach here. The County could deliver 100 times the material in an hour using trucks and rock. They wouldn't want to use sandbags, they would want to use rock.

Councilmember Zacarías asked if drills had been held to practice handling levee breaches.

Mr. Fayram stated there was a drill several years ago in cooperation with the City regarding a Twitchell Dam emergency. They have talked about generating a levee breach exercise in the near future.

Councilmember Trujillo stated he understood the County was trying to do some work in the main channel. He said if the channel was in the middle and deep enough, the water would move very quickly through there. He asked if the County was doing that.

Mr. Fayram replied this fall the County constructed two pilot channels in two of the critical areas to focus the flow of the river down the channel, and they would be looking at doing more in the future.

Councilmember Orach commented that the amount of equipment the City has at the landfill would allow an instant response along the landfill corridor.

Director of Utilities Sweet stated the landfill provided a unique opportunity for the safest place for the levee. There is personnel on site most of the time, there is large equipment ready to respond, and they are presently trying to purchase rock so it would be on site and available to patch a possible breach.

Mayor Lupe Alvarez, City of Guadalupe, stated he was here to show support to the City of Santa Maria because if there was a breach, the water would go through Santa Maria, through the farm lands, and into the City of Guadalupe. He wanted to show support to the City for all its efforts to secure funding for the levee. He offered to write letters of support.

Mayor Lavagnino also expressed the City's support for the City of Guadalupe.

Toru Miyoshi asked about the Santa Maria Flood Zone Benefit Assessment and the Santa Maria River Levee Benefit Assessment on the property taxes, and what the proceeds of these assessments were used for and how much was available for this project.

Mr. Fayram explained that the Santa Maria Flood Zone Benefit Assessment was for construction and maintenance of facilities in the town such as the Bradley Channel, the recent work done on Blosser Channel, and the large storm drain on the west side of town called the West Green Canyon Storm Drain Project. It is for large capital projects designed to handle the large amount of water generated in town. The Santa Maria Levee Benefit Assessment is funding that is strictly limited to maintenance of the levee. The total proceeds from that assessment are approximately $200,000 a year. There is 26 miles of levee that needs to be maintained including road surface maintenance, vegetation maintenance, addressing the rock itself, and cleaning the flood gates. The $200,000 a year was not a lot of money to maintain 26 miles of levee. The annual assessment amounted to about $3.00 per year per parcel.

Mr. Miyoshi stated at the last meeting Director Sweet talked about the flood insurance being about $317 a year. He said he was informed later that the $317 would not be locked in if the levee was decertified.

Mr. Fayram replied he had been told two different stories by FEMA. He said once the new flood map was received in April, they would be conducting extensive workshops to get the information out. What he understood the case to be is if you are not in a flood zone and you buy flood insurance now, it is around $300 a year. If the property is then determined to be in a flood zone, the number will go up to about $1,000 a year. If you

wait until the map is effective and buy flood insurance, it will be higher than that. It would be months or as long as a year before the map became effective.

Mr. Miyoshi asked if it would be mandatory coverage or elective.

Mr. Fayram explained that flood insurance would be required for anyone with a federally backed mortgage. Most mortgages are federally backed and have a clause that requires flood insurance if a property is determined to be in a flood zone.

Mr. Miyoshi stated he was concerned because even $317 for a young family purchasing a home was more than they could afford. It would be an economic burden if that increased to over $1,000 a year. He asked if there was any type of assistance or financing that would be available.

Mr. Fayram replied it was an issue going on around the country, and at this time there were no grant sources for such a program.

Richard Cowell stated he walked the levee many times, and the Army Corps of Engineers used the wrong rock when it was built. It crumbles in your hand. The Corps of Engineers admits it.

Ernest Armenta stated the City of Santa Maria knew and the Flood Control District knew that the design of the levee was flawed before all those homes were allowed to be built. He said he felt the realtor, the City and the District should be responsible for the insurance. He suggested the City take over control of the levee from the Flood Control District.

Joan Leon, Santa Maria Community Coalition, asked if the Flood Control District could get the Army Corps of Engineers to acknowledge that it was built incorrectly, maybe the money would be forthcoming to repair it. She said it was recently stated that everything north of Betteravia Road was potentially in a flood zone and talked about all the new construction north of Betteravia Road which has been relying on the levee for protection. She said she was reassured by Mr. Fayram's report and the level of maintenance of the levee.

Joann Marmelejo said at the last City Council meeting it was stated that if you purchased flood insurance before the new flood zone map was approved, it would cost $317 and would be locked in at that amount. She said when she went to purchase the flood insurance, her agent told her it could go up to as much as $1,200 a year.

Director of Utilities Sweet apologized for making that statement at the last meeting. He said that was his belief up until this meeting because that was the information he had received from FEMA.

Teddi Steyer stated it appeared that what the City and the Flood Control District were trying to do was solve the problem. She asked if it was possible for the City or County to fund the Army Corps of Engineers' study.

Director of Utilities Sweet stated if that was an option, the City and District would certainly do that. The Army Corps of Engineers works for the United States Congress and will only do the study at the direction of the United States Congress. That is why the Flood Control District has hired a consultant to do some of the work so the Army Corps will have alternatives that they can choose from and hopefully get their report done as quickly as possible.

Richard Hall said Mr. Fayram mentioned that among all the options, there is one that the Corps of Engineers would approve and would certify the levee after the work is completed. He asked if that could be done in the 6 months to a year before the flood zone map was certified.

Mr. Fayram stated he did not know. He said the analysis that was currently being done would identify a series of treatments for the levee that would increase the structural

capacity. What he did not know was what the Army Corps of Engineers would accept and what they would not. His fear was that for the Army Corps of Engineers to tell the District what was needed to certify the levee, they would need the funds to review it. Even with the information, the Corps may not be able to take action without direction and funding from Congress.

Marty Mariscal asked if the Army Corps of Engineers and the Federal government had the oversight and control of all major flood control projects in the United States.

Mr. Fayram stated they do for all of the projects that have been federally funded, but not all of the flood control projects.

Marty Mariscal stated the Santa Maria Levee was part of the Twitchell Dam Project which was a comprehensive reclamation project. It was constructed at a time when reclamation projects were happening everywhere. Over time things change. He asked if the City and the District could come up with a plan to do something that would allow the Army Corp of Engineers to continue to certify the levee such as purchasing riprap in sufficient quantities to completely line the 26 miles of the levee.

Mr. Fayram stated, "absolutely."

Mr. Mariscal commented that at the current assessment of about $3 per parcel per year, the assessment is generating $200,000 which is used for maintenance. If the assessment was increased to $30 per parcel per year, that would generate $2 million a year. At $50 per parcel per year, it would generate about $3.75 million a year that could service a debt. If it would cost $22.5 million to line the entire levee with riprap, it is possible that the residents of the area could elect to charge themselves a higher assessment to pay for the work. He also said there was not a single insurance company in the United States that sold flood insurance. It was sold, administered, and claims paid by the National Flood Insurance Program which is administered by FEMA. He said he had heard a lot of comments about the City approving projects close to the levee. The City approved those projects because the levee was certified. If the City had not approved the projects when someone had a vested right to develop their property, they could have sued the City.

Keith Williams stated there was absolutely no 100 percent guarantee that any type of structure was not going to fail. He said he has been continually impressed with the earnest attempts of the City to look at the issues and do the best for the community.

There were no further public comments.

Councilmember Patino stated she was also thinking about a Community Services District or Levee Assessment District similar to what was done with the Williams Feed Lot Assessment District.

Councilmember Orach stated the District was taking action such as digging the pilot channels.

Mr. Fayram stated he understood the frustration of the speakers. This area was not alone because the same issue was being addressed all across the country. All cities that have grown along rivers are facing the same issue. He said he takes his responsibility very seriously. The District would be doing everything humanly possible to address the levee in the short term and work with the City in the long term to get it fixed. He said he was confident in his organization and the partnership with the City and did not foresee the levee breaking without a good fight. He pledged his support to the City and thanked the City Council and City staff for its continued support.

The Council thanked Mr. Fayram for his presentation.

PRESENTATION OF THE SANTA MARIA VALLEY CHAMBER OF COMMERCE ECONOMIC DEVELOPMENT COMMISSION SEMI-ANNUAL REPORT FOR THE PERIOD JULY 1, 2006, THROUGH DECEMBER 31, 2006.

Robert Hatch, Chairperson of the Economic Development Commission, presented the report. During the second half of the second year of the Economic Development Plan, the focus remained on the retention of existing businesses. Every one of the first-year goals was addressed and a program of work was developed for each. Second year objectives were developed. Ads were placed in the *Global Corporate Expansion Magazine, Expansion Management Magazine*, and *Pacific Coast Business Times.* During the second half of the year the Commission remained engaged with local companies to assure them that they have a key ally in the Chamber. In addition, the Commission and Chamber staff members have continued to provide advice and assistance to numerous companies seeking to expand or relocate their operations. International Software Trading Company has leased office space, hired software engineers and begun initial marketing. Fusion Marketing has leased additional space and expanded local operations. A leading health clinic, regional credit union, and continued work on the possible relocation of the DMV are a few examples of the Commission's business development efforts. Additionally, the Commission is now under contract to actively market the Santa Maria Public Airport District and has pledged its support for the continuing development of the business park. Since its last report, the Commission has received a sizeable grant from Pacific Gas and Electric and GREKA Energy to be used for economic development, continued to distribute marketing material for the Revolving Loan Fund program, continued support of community forums which promote the virtues of Santa Maria and Northern Santa Barbara County, contributed to the Bond initiative for Allan Hancock College, remained involved in the Central Coast Marketing Team, and continued to promote and monitor the Chamber website which includes an entire section devoted to economic development.

Councilmember Orach asked about the 2004 data on the demographic page of the Chamber's website and whether that was going to be updated soon.

Mr. Hatch replied the 2005 data was available and would be loaded in the next few weeks.

Council thanked Mr. Hatch and received and filed the report.

PRESENTATION OF THE SANTA MARIA VALLEY CHAMBER OF COMMERCE AND VISITOR AND CONVENTION BUREAU SEMI-ANNUAL REPORT FOR THE PERIOD OF JULY 1, 2006, THROUGH DECEMBER 31, 2006.

Robert Hatch, President/CEO of the Santa Maria Valley Chamber of Commerce introduced Gina Keough, Visitor and Convention Bureau Manager, who gave the Mid-Year Report. During the first half of the 2006/07 fiscal year, transient occupancy tax continued to increase totaling $1,088,108.20. A new full-color brochure entitled *Winter Escapes* offers savings to visitors and promotes area hotels, attractions and restaurants during the off-season. The dawn of the Internet age has made it necessary and advantageous to have a website for promotional purposes. During the first part of the fiscal year, the californiagolfvacation.com site was updated with information on area golf courses and golf package vacation information. Santamariawines.com site has been brought up to date with wine-tasting opportunities in the Santa Maria Valley, along with behind the scenes information on area winemakers. The main website is split into three sections, offering extensive information on the Chamber of Commerce, Economic Development Commission and Visitor and Convention Bureau. The Bureau continued its support of the Santa Maria Valley Wine Country Association and PCPA Theaterfest. The Bureau paid the installation costs for two new billboards on Highway 101. In November, the Santa Maria Valley Railroad hosted the first Customer Appreciation Lunch Special and Dinner Train Excursion aboard the ex-California Zephyr private railcar Silver Lariat. The Chamber and Bureau have offered full support in working with the railroad company to host train excursions on a regular basis. The Bureau also embarked on a new advertising campaign this year featuring themed print advertisements to be used in travel and lifestyle magazines that best reach targeted markets. Print ads were placed in annual travel guides for Santa Barbara County, the Central Coast Tourism Council, and the California Travel and Tourism Commission.

Ads also appeared in the November, December and January issues of *Sunset Magazine*. Twelve special events will receive Special Projects Grant funding for events scheduled for January through June, 2007. The Bureau enjoys an active partnership with the Santa Barbara County Film Commission in seeking out and supporting filming opportunities in the area which brought Walt Disney Pictures to the Guadalupe Dunes to film scenes for *Pirates of the Caribbean: At World's End*.

Councilmember Trujillo asked how many members the Chamber of Commerce had.

Ms. Keough replied there were approximately 1,300 members.

Councilmember Trujillo asked Ms. Keough for her help reaching the membership for the Beary the Library Bear Fundraising Campaign.

Council thanked Ms. Keough and received and filed the report.

TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) OF 1982 HEARING – ISSUANCE OF TAX-EXEMPT BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY FOR CATHOLIC HEALTHCARE WEST.

Director of Administrative Services Snodgrass gave the staff report. This is a request by Catholic Healthcare West for the issuance of tax-exempt bonds by California Statewide Communities Development Authority in the amount of $985 million for system-wide projects owned and operated by Catholic Healthcare West. $72 million of bond proceeds is proposed to be used for Marian Medical Center including an approximately 220,000-square-foot addition to the hospital facilities and related renovation to the hospital and administrative facilities at Marian West, a 37,000-square-foot extended care skilled nursing facility at 1530 East Cypress, an extended care skilled nursing facility located at 1540 East Cypress, a cardiac rehabilitation and wellness center located at 1406 East Main Street, and Marian Physical and Occupational Rehabilitation Center located at 915 East Stowell. The bonds would be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the project to be financed is located. The City would not be under any obligation to repay the Bond indebtedness. The bonds will be issued by the California Statewide Communities Development Authority which is a joint powers authority sponsored by the League of California Cities and the California State Association of Counties.

Mayor Lavagnino opened the public hearing. With no requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Orach commented that he remembered the Marian Medical Center doing this same thing in the past.

City Manager Ness explained that they started a similar bond issue several years ago, but it did not go anywhere.

Mayor Lavagnino stated he had asked City Attorney Trujillo to investigate whether he had a conflict of interest with this item since he served on the Board of the Marian Foundation even though he had no financial interest. He had been advised that he did not have a conflict.

City Attorney Trujillo stated that was correct.

Resolution No. 2007-21 was adopted approving the issuance of the tax-exempt revenue bonds on motion by Councilmember Patino, seconded by Councilmember Zacarías, and carried on the following roll-call vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2007-21 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE ISSUANCE OF REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY TO BENEFIT CATHOLIC HEALTHCARE WEST.

FINANCIAL REPORT FOR SECOND QUARTER ENDING DECEMBER 31, 2006, AND A BUDGET AMENDMENT REPORT – FISCAL YEAR 2006-07.

Director of Administrative Services Snodgrass gave the staff report. With 50 percent of the year complete, revenues are at 35.8 percent of projections while expenditures are at 45.7 percent of appropriations. Operating revenues including transfers are less than budgeted but slightly more than the prior year. Total income is $18,132,530 or $489,330 more than last year at this time. Departmental expenditures are $23,743,970 or 7.7 percent higher than the prior year. The top five revenue sources account for about 42.1 percent of total General Fund revenues. Sales tax receipts are approximately S40,800 less than the prior year. During the remaining six months of the fiscal year, the City will receive the second yearly payment of in-lieu sales tax and the sales tax earned during the holiday season which will dramatically change the percent received of budget. Vehicle License Fee receipts are approximately S60,800 more than last year and are 3.4 percent of the budget. Property tax receipts are 77.2 percent of budget and 27.2 percent higher than expected at second quarter. Operating costs were 4.3 percent less than expected at the end of the second quarter. In the Water/Wastewater Fund, expenditures exceed revenues by $10 million primarily due to State Water payments being paid in full at the beginning of the fiscal year. A budget amendment report has been included which recommends certain personnel and operational changes.

Councilmember Zacarías asked about the budgeted amount for the hotel bed tax.

Director Snodgrass explained that they budget a certain percentage based on last year's amount. She said the budgeted numbers were very conservative, and in most cases they exceed the budgeted amount by the end of the fiscal year.

Councilmember Zacarías stated she understood that part of that bed tax was allocated to the Chamber of Commerce and the Historical Society. She asked if the Chamber and Historical Society would have a lower allocation if the City collected less funds during the year.

Director Snodgrass replied that the allocation was based on the prior year's actual revenues received. If the amount collected was lower this year, their allocation would be less next year.

Councilmember Zacarías asked for actual dollar amounts to be included in the report rather than just a percentage of increase or decrease over last year.

Councilmember Orach asked if the City had heard anything yet on the Governor's budget.

Director Snodgrass replied that she had not heard anything yet.

Councilmember Orach asked if Director Snodgrass had heard anything final on the amount of crop damage from the freezes.
Director Snodgrass replied she had not. She said she felt that would not be determined until it was time for the crops to be harvested and sold.

Councilmember Zacarías asked about the Transit Fund. She said she understood that when developing a budget for transit, the City counted on a certain amount coming from

fares. She said the City planned on 20 percent but only collected 16 percent. She asked if the City had to make up that difference.

Director Snodgrass stated the City did not make up that money. The General Fund did not contribute additional resources to the transit fund, they just had less money to operate with.

Joan Leon asked about the Solid Waste Fund for the rolling closure of the landfill. She said she understood that there was a requirement that the landfill be closed, and the City had been accumulating funds for years for that purpose. There have been new sources of income at the landfill recently. She asked how the money from recycled goods was being used and the money from the importation of NHIS. How much did the City receive out of the $12 per ton paid by Chevron and how much did the contractor receive. How much was going into the fund for the closure of the landfill. She also asked if the importation of NHIS from Long Beach was what was being used to cap an additional section of the landfill.

City Manager Ness explained that there was a Landfill Closure Fund that was being utilized to close the landfill on a rolling closure basis. There was sufficient money in that fund to close the landfill over time. He said he was not aware of any recycling revenue the City received from recycled goods. The City basically broke even or lost money on their recycling program. The revenue from the NHIS program was $12 per ton, $6 of which goes to the City and $6 goes to the contractor by agreement. The $6 per ton that the City receives is used partially to off-set the cost of operating the program and the remainder is franchised to the General Fund. The importation of soil from Long Beach is part of the NHIS program and treated the same way.

Director of Utilities Sweet offered to meet with Mrs. Leon to answer all her questions in detail.

City Manager Ness explained that the City did have a 17-minute video on the City's web site and also running on PEG Access TV on the NHIS program and how it works. The City Council has also been able to suspend any rate increases at the landfill and with trash collection for six of the last seven years. The importation of NHIS material and the revenue from that has allowed the City to stave off any rate increases. Additionally, 16 additional police officers and nine additional fire fighters were added and funded through expected revenue from the NHIS program. That is why the money is being franchised to the General Fund to pay the on-going costs of the additional public safety personnel.

Director of Utilities Sweet announced that the City would also soon be unveiling a new web site specifically geared to answer questions about the NHIS program. They hoped to launch that web site on April 1st.

Joan Leon also asked about the $290,600 that was being requested to buy 288 acres of land in the riverbed. She asked who owned land in the riverbed that the City would be buying. She said it was ludicrous to buy land in the riverbed knowing that the river wanders all over the place. She asked about the Riparian Habitat Enhancement Project upstream of the Suey River Crossing. If a Riparian Habitat Enhancement Program was already being done, why would the City need to do the proposed education program.

Director Sweet explained that the Riparian Habitat Enhancement Project consisted of planting willows by the Resource Conservation District in the riverbed. The City is actually one of the owners of the bottom of the riverbed in several locations. There are property owners in the riverbed, and they have the same ownerships rights as anyone else.

City Manager Ness indicated that typically about six to nine months out of the year there is no water flowing in the Santa Maria River at all. In many places in the basin, there is never any water that flows except when it flows from bank to bank. The proposed project is one that is substantially funded by grant funds and Park Development Funds. There is no development planned. It is the purchase of land. It will be a walking trail during those times when it is safe to walk in the riverbed.

Director of Recreation and Parks Posada explained that this was not a short-sighted project. The Santa Maria River to the Sea Trail project has been in the works for about seven years. It came to the Recreation and Parks Commission as a concept from the Dunes Center and other organizations to try to establish the Santa Maria River itself as a riparian trail. During the environmental review many types of wild animals were found using the riverbed as a corridor to reach other areas. The plan was to create an opportunity for these animals to move back and forth and for people to see these animals in their natural habitat. The other goal was to try to preserve the views of the Nipomo Bluffs north of the City. All of the riverbed is under private ownership except for the portions the City owns. The purchase of the 280 acres would be from two owners, the Iliff family who owns the area at the end of Preisker Lane and the Sanchez family who owns the 200 acres east of the Santa Maria Bridge to where Carlotti would intersect the river. The Sanchez family has mining rights to mine sand on their property. Both these owners have been very cooperative and want to see the area preserved.

Resolution No. 2007-22 was adopted approving amendments to the budget on motion by Councilmember Orach, seconded by Councilmember Trujillo, and carried on the following roll-call vote:

AYES: Councilmembers Orach, Patino, Trujillo, Zacarías, and Mayor Lavagnino
NOES: None
ABSENT: None
ABSTAIN: None

Resolution No. 2007-22 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENTS TO THE BUDGET FOR FISCAL YEAR 2006-07 AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME

CITY MANAGER'S REPORT

City Manager Ness reported on items for the March 6, 2007, City Council meeting including a public hearing for a revised purchasing ordinance, resolutions of commendation for outgoing Board, Commission and Committee members, and an appointment to the Planning Commission.

ORAL REPORTS BY COUNCILMEMBERS

Councilmember Trujillo announced he had attended the Community Partners in Caring fundraising dinner on Saturday, and a dinner at the Filipino Association on February 19, 2007. Both these organizations do a lot for this community.

Councilmember Trujillo also stated the fundraiser for the Friends of the Library had to be postponed because Dr. Laura Schlessinger had been stranded in New York in a snow storm. They are almost sold out and will be rescheduling the event.

Councilmember Patino announced that she was in Washington, D.C. last week at the Community Anti-Drug Coalition Conference. There were many good speakers. They also met with Congresswoman Capps and Congressman Gallegly. This year there was a high priority placed on addiction of prescription drugs and over-the-counter cold medicines.

Councilmember Patino also announced that on March 15th there would be a documentary on HBO on addiction. Fighting Back Santa Maria Valley would be setting up town hall meetings to discuss it. Additionally, Dr. Meg Meeker would be back in town in March and would be focusing again on teen sex and STDs. Aaron Shannon from the DEA would be speaking at the high schools, and Javier Sanchez would also be speaking to the teenagers on alcohol and drugs prevention.

Councilmember Zacarías announced she had attended the Channel Counties Division of the League of California Cities meeting. She also represented the Council in Guadalupe at the first Family Concert being held in the newly renovated theater. The next concert was scheduled for March 16th at 7:30 p.m., and was free to the public. She

commended staff for the information sharing about NHIS and for getting the information out to the public.

CLOSED SESSION
Council recessed to Closed Session at 9:55 p.m. for Conference with Labor Negotiator pursuant to Section 54957.6 of the Government Code; Agency representative: Assistant City Manager; Employee organization: Santa Maria Police Officers Association (SMPOA).

After the Closed Session, the following was announced:

Conference with Labor Negotiator: SMPOA - Direction to staff was given.

ADJOURNMENT
On motion by Councilmember Patino, seconded by Councilmember Orach, and carried unanimously, the meeting was declared adjourned in memory of former Councilmember Wayne Hasselbarth at 10:07 p.m.

APPROVED

March 6, 2007
Date

Chief Deputy City Clerk of the City of Santa Maria and ex-officio Clerk of the City Council

ATTEST:

Chief Deputy City Clerk

Mayor of the City of Santa Maria